



U.S. Department of Justice

*United States Attorney's Office
Eastern District of New York*

CBD:DSS/AAS
F.#2009R02380

271 Cadman Plaza East
Brooklyn, New York 11201

June 5, 2013

BY HAND DELIVERY and ECF

The Honorable John Gleeson
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. HSBC Bank USA, N.A. and
HSBC Holdings plc
Criminal Docket No. 12-763 (JG)

Dear Judge Gleeson:

We write to advise the court that under the terms of the Deferred Prosecution Agreement, the Department of Justice has selected Michael Cherkasky to be the independent compliance monitor for HSBC Holdings plc. Mr. Cherkasky has extensive experience in evaluating and improving the anti-money laundering programs of large financial institutions. From 1994 to 2004, Mr. Cherkasky worked for Kroll, Inc., a leading investigations and risk management company, including serving as Chief Executive Officer from 2001 to 2004. From 2004 to 2008, Mr. Cherkasky was Chief Executive Officer of Marsh & McLennan Companies, Inc. From 2008 to 2011, Mr. Cherkasky was Chief Executive Officer of Altegrity, a company that provides information and data services, including anti-money laundering systems, for public and private sector clients.

Mr. Cherkasky also has extensive experience in various oversight roles. Mr. Cherkasky has been appointed by various federal courts to oversee federal consent decrees with organizations including the Long Island carting industry (for a term of 7 years) and the International Brotherhood of Teamsters (for a term of 3 years), and has served as the independent monitor for the Los Angeles Police Department (for a term of 8 years). Mr. Cherkasky has also served as the Chairman of the New York State Commission on Public Integrity. Prior to his business career, Mr. Cherkasky served as a prosecutor for 15 years in the District Attorney's Office for New York County, where he served as Trial Bureau Chief, Chief of the Rackets Bureau, and Chief of the Investigations Division.

- 2 -

The Department of Justice has advised HSBC Holdings plc of its selection. The government anticipates that Mr. Cherkasky will enter into an engagement letter with HSBC Holdings plc on June 19, 2013 and begin working as monitor thereafter.

Respectfully submitted,

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